

Current Activities

ERS Research on Biotech Crops Informs Policies Abroad

The rate at which U.S. farmers have adopted biotech crop varieties has increased dramatically over the past 9 years. ERS research has shown that U.S. farmers are realizing tangible economic benefits from adopting these crops, such as higher yields, savings in management time, and lower pesticide costs. These and other research findings are of particular interest to countries that are designing policies related to biotech crop production and use. Recently, a delegation of senior policymakers from Turkey, hosted by USDA's Foreign Agricultural Service, met

with ERS economists Jorge Fernandez-Cornejo and Bill Lin to learn about the economic issues related to the adoption of biotech crops by U.S. farmers. The delegation is developing new biosafety legislation for Turkey. **Jorge Fernandez-Cornejo**, jorgef@ers.usda.gov

Diverse Labor Force Attracts New Food Processing Plants

As the manufacturing sector's share of total U.S. employment continues its historic decline, rural areas face increasingly stiff competition—from both urban and rural areas—in attracting new manufacturing plants. Thus, rural county economic planners have a keen interest in the traits of counties that have successfully



attracted new manufacturing plant investment. Preliminary ERS research shows that the diversity of the labor force, whether measured by income, educational attainment, or occupation, was associated with a higher likelihood of a county's being chosen as a site for new food processing plants. This finding was true for all counties—urban, suburban, or rural. While true for all counties, the typically more diverse urban and suburban labor forces favor nonrural counties. **Gerald Schluter**, schluter@ers.usda.gov, and **David Davis**, ddavis@ers.usda.gov

Recent Meetings

Rapid Spread of Supermarkets Changing the Pacific Rim Food System

In May 2005, ERS, the Farm Foundation, and the Pacific Economic Cooperation Council convened a conference in Kunming, China. Conference participants from the public sector, food companies, and academic institutions in 16 Asia-Pacific countries assessed the changing structure of the retail food sector and its impact on the region's agriculture and trade. While growth in the retail share of supermarkets in developed countries spanned many years, the pace has accelerated in middle-income countries like China, Mexico, and Indonesia. In these rapidly urbanizing markets, consumers are benefiting from lower prices from

economies of scale in procurement and distribution and the private enforcement of higher food safety standards. On the other hand, small "mom and pop" shops and wet markets are facing adjustment pressure as are small farmers. Policymakers are looking for ways to enable small producers to compete in a supermarket world by facilitating farm and farmland consolidation and the shift of resources into more remunerative niche activities. **William Coyle**, wcoyle@ers.usda.gov

Policy and Competition in a Changing Global Food Industry

In April 2005, ERS, jointly with the Farm Foundation, Pennsylvania State University, and the International Food and

Agribusiness Management Association, hosted a conference on "Policy and Competitiveness in a Changing Global Food Industry." This conference brought together researchers, business people, and policymakers to engage in a structured open discussion on major issues regarding policy and business competitiveness in a rapidly changing global food economy. Discussions focused on factors impacting the competitiveness of food firms, the role of evolving food supply chains on food trade flows, and the role of policy in a global industry dominated by multinational players operating across national boundaries. Conference papers are available at: www.farmfoundation.org. **Anita Regmi**, aregmi@ers.usda.gov

New Releases

A Redesigned Data Portal

ERS is a major source of agricultural economic data, with almost 40,000 unique visitors accessing ERS data online each month. Approximately one-quarter of these visitors find the data they seek by navigating from ERS's data portal, www.ers.usda.gov/data/. ERS recently redesigned and relaunched its data portal

with an improved layout to help visitors explore ERS's large collection of data products more easily. Users can now browse data products by commodity, geographical region, and topic and can more easily access ERS's most requested data and new data products. In addition, key indicators, a calendar of releases, and a signup for notification of new releases are featured prominently in the new layout.

Rural America's Children

Rural Children At A Glance (EIB-1), the latest in a series of ERS reports on social and economic conditions in rural areas, provides recent information on the demographic, social, and economic status of rural children in families. This six-page brochure charts trends in racial/ethnic composition and living arrangements of

children as well as poverty and other indicators of child well-being. Although rural child poverty rates declined in the 1990s, they remain higher than the rates of urban children. The monitoring of increases in child poverty and the changing geographic distribution of poor children can be used in targeting poverty reduction policies and program assistance, such as child nutrition programs, food stamps, and health insurance coverage in rural areas. **Carolyn Rogers**, crogers@ers.usda.gov



North American Agricultural Policies Compared

A new ERS report, *Recent Agricultural Policy Reforms in North America* (WRS-05-03), examines the significant changes that the U.S., Mexico, and Canada have each made to their agricultural policies over the past several years. In the area of income supports, each country has instituted a countercyclical program that provides additional assistance to producers during downturns in commodity prices, and each continues to decouple key support programs from production decisions. In other areas, the reforms of the three countries have different points of emphasis. **Steven Zahniser**, zahniser@ers.usda.gov

China's Agricultural Imports Rising

A new ERS report, *China's Agricultural Imports Boomed During 2003-04* (WRS-05-04), indicates that China's agricultural imports more than doubled between 2002 and 2004, due to surging demand for basic commodities, a more open trade regime, and tighter commodity supplies in the Chinese domestic market. Soy oil, palm oil, and raw soybeans

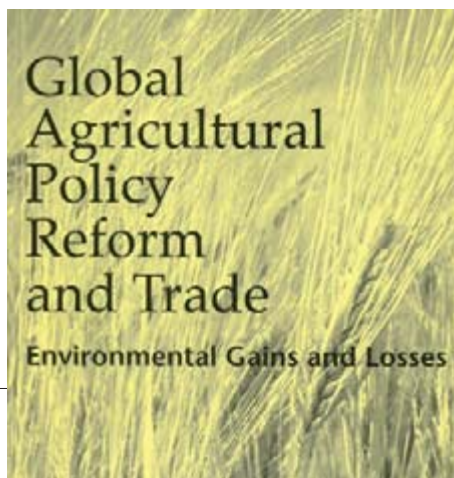
crushed to make cooking oil together accounted for nearly half of import growth. Industrial raw materials—cotton, leather, and rubber—accounted for an additional one-third of the dollar value of agricultural import growth. U.S. agricultural exports to China jumped to a record \$5.5 billion in 2004. China's agricultural exports continued to climb as well, but at a rate slower than its growth in imports. **Fred Gale**, fgale@ers.usda.gov

Commuting Codes Updated

Using data from the 2000 decennial census, ERS recently updated its rural-urban commuting area (RUCA) codes, a detailed and flexible scheme for delineating sub-county components of the U.S. settlement system (www.ers.usda.gov/data/ruralurbancommutingareacodes/). RUCA codes classify U.S. census tracts using measures of population density, urbanization, and daily commuting. They are based on the same concepts used by the Office of Management and Budget to define county-level metropolitan and micropolitan areas. However, the use of census tracts instead of counties as building blocks for RUCA codes provides a different and more detailed geographic pattern of settlement classification. **John Cromartie**, jbc@ers.usda.gov

Agricultural Trade and the Environment

The World Trade Organization's efforts to liberalize agricultural trade have raised concerns that the current movement toward globalization fails to adequately address environmental issues. A timely new book edited by ERS economist Joseph Cooper analyzes the possible linkages between agricultural trade liberalization and the environment. *Global Agricultural Policy Reform and Trade*



Environmental Gains and Losses (Edward Elgar, Cheltenham, UK, and Northampton, MA, US, 2005) also assesses the negative and positive impacts of possible policy reforms. **Joseph Cooper**, jcooper@ers.usda.gov



Many Forces Reshaping Global Textile and Cotton Markets

The phaseout of the Multifiber Arrangement (MFA) and other forces are reshaping world textile and cotton markets. The elimination of the MFA is helping reduce clothing prices in the United States and the European Union and shifting industrial demand for cotton to China, India, and Pakistan. At the same time, world cotton consumption has accelerated along with economic growth since 1999, especially in developing Asia, where an emerging consumer society is driving increases in consumption of clothing and other cotton products. A new ERS report, *The Forces Shaping World Cotton Consumption After the Multifiber Arrangement* (CWS-05c-01), finds that, in the long run, income growth and technical change have more of an effect on world cotton consumption than the elimination of the MFA. **Stephen MacDonald**, stephenm@ers.usda.gov and **Thomas Vollrath**, thomasv@ers.usda.gov

Commodity Markets and Trade

ERS Outlook reports provide timely analysis of major commodity markets and trade, including special reports on hot topics. All reports are available electronically and can be found at www.ers.usda.gov/publications/outlook/ along with a calendar of future releases. **Joy Harwood**, jharwood@ers.usda.gov

The citations here and in the rest of this edition are just a sample of the latest releases from ERS. For a complete list of all new ERS releases, view the calendar on the ERS website: www.ers.usda.gov/calendar/